



OPERATIONAL SERVICES DIVISION

Gary J. Lambert
Assistant Secretary for Operational Services

THE COMMONWEALTH OF MASSACHUSETTS
Executive Office for Administration and Finance
OPERATIONAL SERVICES DIVISION
One Ashburton Place, Suite 1017
Boston, MA 02108-1552

Deval L. Patrick
Governor
Glen Shor
Secretary

To: Secretariat and Agency Chief Procurement Officers, Supplier Diversity Officers
Cc: Agency Heads, General Counsels, Chief Financial Officers
From: Gary Lambert, Assistant Secretary for Operational Services
Date: September 13, 2013
RE: Changes to Supplier Diversity Program Policies and Plan Effective October 1, 2013.

Executive Summary

The purpose of this Memorandum is to inform you of changes concerning the Supplier Diversity Program ("SDP") Policies and Plan that will become effective for solicitations issued on or after October 1, 2013. These changes are intended to (1) streamline the bidding process by requiring selection of a Certified Partner only by those bidders that are awarded contracts, (2) simplify the bidding and bidder evaluation processes by only requiring bidders to submit and procurement teams to evaluate a percentage of sales commitment, (3) expand eligible vendors in the Supplier Diversity Program Plan to include Service-Disabled Veteran-Owned Business Enterprises, (4) eliminate the requirement for vendors to select a specific category in which SDP spend will occur, and (5) require submission of the SDP Plan Form identifying Certified Partner(s) after contract award.

In accordance with these changes, OSD has developed new SDP forms: (1) [SDP Form 1 \(SDP Plan Commitment\)](#), to be submitted with bid responses, will identify bidder's proposed percentage of sales commitment; (2) [SDP Form 2 \(Declaration of SDP Partners\)](#), to be submitted no later than 30 days after contract execution by successful bidders, will identify bidder's known SDP Partners; and (3) [SDP Form 3 \(SDP Spending Report\)](#), will be used for purposes of SDP compliance reporting.

Background

Executive Order No. 524, Establishing the Massachusetts Supplier Diversity Program, states as a policy of the Commonwealth the promotion of "equity of opportunity in state contracting; and, to that end, [to] encourage full participation of minority and women owned businesses in all areas of state contracting."

Executive Order No. 533 directed the Operational Services Division ("OSD") to "[i]nvestigate opportunities to standardize and streamline the Commonwealth's procurement processes both within OSD and the Executive Department in order to simplify the process for state agency procurement staff when conducting the procurements, for public entity purchasing staff when using the contracts and for interested bidders when bidding on the procurements...."

More recently, Executive Order No. 546 established the Service-Disabled Veteran Owned Business Enterprise Program ("SDVOBE Program"), which is designed to promote access and equity of opportunity to Commonwealth business opportunities to SDVOBE qualifying businesses.



Consistent with these directives, OSD has modified the SDP Policies and Plan requirements, as described below.

SDP Applicability

A Supplier Diversity Program (SDP) Plan is required for large procurements. No contract will be awarded to a bidder without a strong SDP Plan containing measurable commitments with certified vendors, barring any documented extenuating circumstances. All contract awardees, regardless of their certification status, are required to submit a completed SDP Plan Form, which can be found on the OSD Forms link on OSD's website, as part of their response for evaluation. Although strongly encouraged for small procurements, the submission of an SDP Plan is mandated only for large procurements, defined as \$150,000 and over. It is required that Supplier Diversity Program (SDP) participation accounts for no less than 10% of the total points in the evaluation.

SDP Requirements by procurement size:

	Small Procurement (\$10,000 to \$150,000)	Large Procurement (\$150,000 or more)
Distribution	Exclusively distributed via posting on Comm-PASS	
Notification	While notification can be made to all businesses (small and large) that subscribe to a specific Comm-PASS category, the Department should give notice of its intent to award a contract to an SBPP-eligible bidder.	No additional requirements beyond posting on Comm-PASS.
Supplier Diversity Program Plan	Encouraged	Required
Written Response	Unsealed: Department may accept email, fax, postal delivery, personal delivery or online via Comm-PASS.	Sealed: Must accept either by postal and hand delivery OR online via Comm-PASS.
Evaluation	Evaluate all submissions using best value criteria. However, if no SBPP bidder bids or there are none that meet the Department's requirements, then may award to non-SBPP bidder.	SDP Plan must be evaluated at a minimum of 10%. Evaluate all submissions using best value criteria.

Requirements Applicable to Initial SDP Plan Bid Response

Bidders responding to a solicitation requiring an SDP Plan will now be required only to identify a commitment in the form of a specific percentage of sales (See SDP Plan Forms) made under the resulting contract that will be spent with a Certified Partner(s). This percentage commitment will extend for the life of any resulting contract. Fixed dollar commitments will no longer be allowed. This will facilitate an apples-to-apples comparison of bid responses for evaluation purposes. Further, this will ensure that SDP commitments are meaningful with respect to the overall value of the resulting contract.

Expanded Definition of Certified Partner

Certified Partners may now include both SDO-certified (M/WBEs) businesses and Service-Disabled Veteran-Owned Businesses (SDVOBE). Contract awardees may designate either SDVOBE and/or SDO-certified M/WBEs for purposes of meeting their SDP Plan commitments.

No Requirement to Categorize Spending with Certified Partner

The SDP Plan will no longer distinguish between categories of services for which bidders opt to use a Certified Partner. Departments will be responsible for ensuring that the percentage commitment of contract spend is met with a currently certified partner(s); Departments will no longer be responsible for reviewing or determining the appropriate type of relationship between the contract awardee and its Certified Partners (i.e., subcontracting, ancillary services, or growth and development).

Identification of Certified Partner Not Required Prior to Contract Execution

While bidders are encouraged to consider and investigate potential SDP Partners throughout the bidding process, submission of the appropriate SDP Form, which can be found under the OSD Forms link on OSD's website, identifying a Certified Partner will now be required no later than 30 days after contract execution. This simplifies the burden for prospective bidders, since they will not be required to identify, select and negotiate conditional agreements with Certified Partners unless they are awarded a contract. Further, this change creates more reasonable expectations for Certified Partners and should result in more tangible business opportunities, since the bidder has received a contract award.

This new policy only applies to the acquisition of commodities and services by all Executive Departments pursuant to MGL Chapter 7, Section 22; MGL Chapter 30, Sections 51 and 52; and 801 CMR 21.00.

To assist you and your staff in this transition a pre-recorded presentation titled "SDP Plan Form Policy Change" will be available in PACE on Monday September 16th. If you should have any questions regarding this policy and for additional information about the SDP, including SDP Policy Guidelines, FAQs, SDP Forms, Department RFR Template and Required Specifications, please refer to the [SDP Procurement Resources and Guides](#) and [SDP Main Page](#) on OSD's website or feel free to contact OSD's Help Desk at comm-pass@state.ma.us.